

February 20, 2019

Glen Dickinson, Director
Legislative Services Agency
State Capitol
LOCAL

Dear Mr. Dickinson:

This letter provides an update on the central debt collection program for the quarter ending December 31, 2018. This report is required quarterly by Iowa Code Chapter 421.17(27) (h) regarding collection results, costs, and positions added.

Debt Collection Program

The Central Collections Unit (CCU) provided debt collection services related to the following:

- Department of Human Services (DHS) Child Support Recovery Unit
- DHS Health & Wellness Premiums
- DHS Medicaid Provider Overpayments
- Department of Natural Resources (DNR) (various liabilities)
- Iowa College Student Aid Commission (Partnership Student Loans)
- Iowa Department of Revenue (IDR) (various liabilities)

Each agency placing accounts with the CCU may also undertake additional collection efforts beyond those reflected in this report.

Collections by Quarter

Collections for the December 2018 quarter totaled \$10.44 million, a decrease of \$0.42 million compared to the same quarter last year (see Table 2). When compared to the same quarter in FY 2018, DHS Child Support collections were consistent. The collections for DNR increased by \$11,000, while College Aid collections decreased by approximately \$17,000. No comparison for FY 2018 is available for DHS Medicaid Provider Overpayments and DHS Health & Wellness Premiums.

The tables and figures provided reflect only the efforts of the CCU.

Cost/Benefit

The CCU is self-supporting and charges for all direct and indirect costs are properly allocable to CCU activities. Fiscal year costs for the last two fiscal years and an estimate of the total receipts to be retained by the Department to pay for salaries, support, maintenance, services, and other costs incurred related to the CCU in the upcoming budget year are provided in Table 1.

Table 1. Central Collections Unit Cost, FY 2017-2019

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated
Cost Incurred	\$12,352,444	\$10,267,117	\$10,068,893

As you can see from Table 2, the fiscal benefits of the Central Collections Unit have remained consistent over recent quarters. It is anticipated that future revenues will remain steady, with the possibility for growth as our debt collection partnerships expand. If you have any questions regarding this information, please let me know.

Yours truly,



Adam Humes
Director

Program	Collections for Quarter Ending				FY 2019
	September 2018	December 2018	March 2019	June 2019	
CCU - College Aid	\$21,040	\$26,010			\$47,050
CCU - DHS Child Support	\$118,858	\$114,739			\$233,597
CCU - DHS Health & Wellness	\$2,373	\$95,246			\$97,619
CCU - DHS Medicaid	\$270	\$1,001			\$1,271
CCU - DNR	\$16,735	\$19,127			\$35,862
CCU - IDR	\$10,380,649	\$10,183,949			\$20,564,598
Total	\$10,539,925	\$10,440,072			\$20,979,996
	September 2017	December 2017	March 2018	June 2018	FY 2018
CCU - College Aid	\$4,463	\$42,893	\$28,733	\$16,964	\$93,053
CCU - DHS Child Support	\$121,123	\$110,191	\$134,350	\$117,255	\$482,919
CCU - DHS Health & Wellness			\$47,524	\$19,126	\$66,650
CCU - DHS Medicaid			\$1,025	\$2,830	\$3,855
CCU - DNR	\$50,136	\$7,967	\$12,126	\$31,088	\$101,317
CCU - IDR	\$7,866,014	\$10,703,703	\$10,147,787	\$8,381,970	\$37,099,474
Total	\$8,041,737	\$10,864,754	\$10,371,544	\$8,569,233	\$37,847,269
	September 2016	December 2016	March 2017	June 2017	FY 2017
CCU - Court	\$1,627,190	\$1,577,870	\$1,047,439	\$1,373,616	\$5,626,115
CCU - DHS Child Support	\$167,953	\$171,912	\$158,912	\$115,048	\$613,825
CCU - DNR	\$9,015	\$13,178	\$13,514	\$9,842	\$45,549
CCU - IDR	\$8,851,840	\$10,138,260	\$9,589,103	\$7,898,242	\$36,477,445
CCU - IWD	\$212,391	\$162,297	\$116,433	\$91,860	\$582,981
Total	\$10,868,388	\$12,063,518	\$10,925,401	\$9,488,607	\$43,345,915

Totals may not equal the sum of quarterly numbers due to rounding.

Figure 1. Central Collections Unit Quarterly Collections

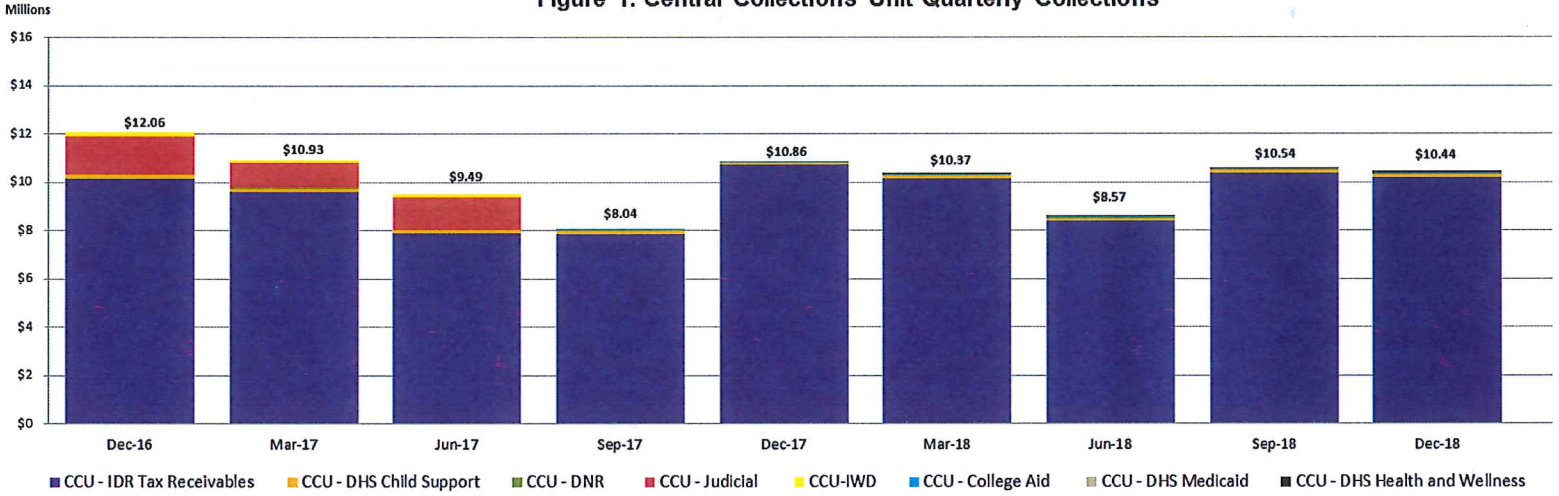


Figure 2. Subset of Central Collections Unit Quarterly Collections

